

C & I Board Meeting Minutes

Baton Rouge, Louisiana

May 23, 2002

Board Members Present: Lt. Governor Kathleen B. Blanco represented by Robert Collins, Gordon Burgess, Governor M.J. Foster, represented by Rodney Braxton, Arthur D. Green, Don Hutchinson, Richard L. Lucas, Archie C. Lyles, Jr., Philip Montelepre, Noel A. Murano, Rodney V. Noles, C. Wade Shaddock.

Board Members Absent: John R. "Red" Bourg, Sr., Mayor Harold L. Cornett, Christopher Coulon, John Friend, Rustin D. "Rusty" Johnson, Marjorie McKeithen, John Vickers.

Staff Present: Paul Adams, Mollie Adomako, Ed Baker, Bob Berling, Marylyn Friedkin, John Jernigan, Laverne Jasek, Darryl Manning, Kay Wallace, Mike Williams.

Guest Present: Chuck Zatarain, C. Zatarain & Assoc.; Charles Tureau, Honey Well; Don Allison, KPMG; Bob Adair, Entergy; Gregory P. Martin, KPMG; Warren Privette, Roy O. Martin Lumber-MHC-Martco; Doug LeBleu, Time Resources, LLC; Ronald J. Lemoine and Nick Lemoine, Lemoine Consulting Services; Bill Didie, Didie Consultant; Rachael Zumo, Community Coffee; Tammie Armand, Shell Chemical; John Hatter, Rubicon Inc./Huntsman PU; Stewart Madison, KPMG; Timothy Mock, Koch Nitrogen; Chuck Lein, Stuller, Inc.; R.J. Moffat, BASF; Linda Redeaux, Shell Chemical Company; Judy Sudduth, SOC; Debra Gibson, Citgo; Lee Robert, University of New Orleans; Bryan Bray, Etheredge Electric Company, Inc.; Adrian M. Case, Weyerhaeuser Company; Eileen Byrne, University of New Orleans Research & Technology Foundation; Linus Cortez, Stuller, Inc.; Kenny Demic, Specialty Machine – Weatherford; Deborah Spraaen, Schoeller Bleckman-Energy; Erin Crowley, Motiva Enterprises; David Kozik, West Fraser (South), Inc.; R.P. Mader, Dresser; L.G. Humphries, Dresser; Gregg Gothreaux, Lafayette Economic Development Authority; Julie Lockhart, Eagle Machine Works; David Hutson, Barriere Construction Company; Darin Arceneaux, Associated Grocers, Inc.

ROLL CALL

Eleven Board Members were present at the time of the Roll Call.

- A motion was made by C. Rodney Noles and seconded by Noel A. Murano to approve the April 24, 2002 C & I Board Minutes. Motion carried by 10/0. Designee John Collins for Kathleen B. Blanco didn't vote because he wasn't present at the April 24, 2002 meeting.

INDUSTRIAL TAX EQUALIZATION

Bob Berling presented 1 Industrial Tax Equalization Contract Renewal to the Board for Approval.

Chairman Arthur Green highly recommended this Contract Renewal to the Board for approval. He said this is a perfect company for the city of Lafayette.

Dr. Charles Lein was presented to the Board to give an overview of the company. He said that Stuller is really a great company. Dr. Lein stated that Stuller is the best in certain areas and other states come to them to see if their practice is the best. Secretary Don Hutchinson asked for information documenting this statement.

- A motion was made by Richard L. Lucas and seconded by Noel A. Murano to approve the Contract Renewal for Stuller Companies. Motion carried 11/0.

RESTORATION TAX ABATEMENT PROGRAM

Ed Baker presented 2 Restoration Tax Abatement Applications to the Board for approval.

- A motion was made by Noel A. Murano and seconded by C. Wade Shaddock to approve 2 Restoration Tax Abatement Applications. Motion carried 11/0.

QUALITY JOBS

Kay Wallace presented 1 Name Change to the Board for approval.

- A motion was made by Archie C. Lyles, Jr. and seconded by Don Hutchinson to approve name change for Aggreko, Inc. Motion carried 11/0.

ENTERPRISE ZONE PROGRAM

Marylyn Friedkin presented 1 Contract Date Change, 1 Contract Change in Ownership, 3 Contract Cancellations, and 19 Enterprise Zone Applications to the Board for approval.

The Board's question regarding Albertson's, Inc. is whether the salaries are annual. Marylyn Friedkin explained that the employee jobs created in the first year is their salary for 5 years.

The Board's comment regarding Sam's Club East, Inc. and Wal Mart Louisiana, LLC is that the Enterprise Zone Program was developed to bring business into economically deprived areas and that a program like this have nothing to do with bringing good industry or manufacturing jobs to Louisiana.

- A motion was made by Gordon R. Burgess and seconded by Rodney Braxton to approve 1 Contract Date Change, 1 Contract Change in Ownership, and 3 Contract Cancellation. Motion carried 11/0.
- A motion was made by Philip Montelepre and seconded by Rodney Braxton to approve 19 Enterprise Zone Applications. Motion carried 11/0.

INDUSTRIAL TAX EXEMPTION PROGRAM (New & Additions)

John Jernigan presented 13 Industrial Tax Exemption Applications, 3 Transfer of Tax Exemption Contracts, 1 Change in Name Only and 2 Contract Cancellations to the Board for approval.

Members on the Board requested that application for Bollinger Algiers, LLC and Entergy Gulf States, Inc. be pulled for discussion.

The Board's comment regarding Bollinger Algiers, LLC is that more information is needed for the project description.

The Board's question regarding Entergy Gulf States, Inc. is whether this project is a miscellaneous capital item; and what the difference is between miscellaneous capital modifications and miscellaneous capital addition.

John Jernigan explained that instead of submitting five or six MCA applications, one application will suffice if the company sends in a \$100.00 and an advance notification prior to starting the modifications. As an example; a compilation of capitalized additions are done at that nuclear power plant through out the year 2000 with total dollars spent as being \$19,000,000 dollars. Without submitting an advance prior to, the company would be required to submit a minimum of 5 applications vice 1 application. There is a cap of five million dollars for a MCA. This eliminates less paperwork for both the company and staff.

- A motion was made by Richard L. Lucas and seconded by Archie C. Lyles, Jr. to approve 13 applications for the Industrial Tax Exemption Program. Motion carried 11/0.
- A motion was made by Rodney V. Noles and seconded by Richard L. Lucas to approve 3 Transfer of Tax Exemption Contracts, 1 Change in Name Only and 2 Contract Cancellations. Motion carried 11/0.

INDUSTRIAL TAX EXEMPTION PROGRAM

(Miscellaneous Capital Additions)

Laverne Jasek presented 104 Miscellaneous Capital Addition Applications to the Board for approval.

Members on the Board requested applications for Bumble Bee Seafood, Inc., EADS Aeroframe Services, LLC, Exxon Mobil Corp Refinery, Exxon Mobil Corp. be pulled for discussion.

The Board's question regarding Bumble Bee Seafood, Inc. is whether they have had a tax exemption before. Laverne Jasek said that the firm had an original contract.

The Board's comment regarding EADS Aeroframe Services, LLC is that Northrop Grummen Corp. and EADS Aeroframe Services have the same Tax Administrator, are these 2 separate projects. Laverne Jasek responded that these are 2 separate contracts for different work.

The Board's comment regarding Exxon Mobile Corporation Refinery and Exxon Mobile Corporation is that the information on the explanation of plant operations and manufacturing process was omitted.

The Board's commented that MHC is a leasing company and therefore wondered how they could lease to another entity. John Jernigan said in order to receive a tax exemption, the contract has to be in that owner's name. MHC who owns Martin Timber Company is a business operation leasing this equipment to its other company.

The application for UOP was deferred until the Board knows what is being purchased.

- A motion was made by Philip Montelepre and seconded by Rodney Braxton to approve 103 Miscellaneous Capitol Addition Applications for the Industrial Tax Exemption Program. Motion carried 11/0

NEW BUSINESS

The following members were appointed to the Policy & Rules Committee:

Richard L. Lucas, Chairman
Leonard Kleinpeter
Mayor Harold L. Cornett
Rodney Braxton
Don Hutchinson
Archie C. Lyles, Jr.
Marjorie A. McKeithen
John Vickers
Noel A. Murano
C. Wade Shaddock

The August Board Meeting has been canceled because the Agency is moving to a new location on August 2, 2002.

A Policy and Rules Committee Meeting has been scheduled for Wednesday, June 26, 2002 at 9:00 AM to discuss the Legislative Auditor's Report and other matters at hand. The meeting will be held in the conference room at the office of Commerce and Industry. Also the scheduled workshop has been canceled for that day.

Meeting was adjourned.

